

Finance Committee
June 15, 2020
6 p.m. - City Hall Council Chambers

Chairman Tom Ptak called the meeting to order at 6:01 p.m.

ROLL CALL:

Present: Chairman Ptak, Alderman Demes, Alderman Lavieri, Alderman Jeppson

Absent: Alderman Herndon

Others present: Finance Director John Duncan, Alderman Bacidore, Alderman Reynolds, City Clerk Carrie Brown, Deputy Clerk Brent Bader

A quorum was present.

The Committee had no questions after reviewing the bills.

The minutes of the Finance Committee held on June 4, 2020 were unanimously approved by the Committee after a motion from Alderman Lavieri and a second from Alderman Jeppson. The minutes will be placed on file.

Finance Director John Duncan gave an update to the Finance Commission with regards to modified revenue summaries from the Illinois Municipal Review. (Exhibit #1) First, Duncan referred to one of the city's largest forms of revenue, its income tax, which is a per capita tax derived from census data in 2010 when the city had a population of 9,609 residents. Duncan said it's a good reminder why residents should fill out the census. The current census estimate rests at 9,064 residents which, if remains the case, would reduce the fund by \$74,000. Duncan had estimated a near \$100,000 loss in the fund during the budget discussion at the last Finance Committee meeting on June, 2020. Duncan said this new estimate helps the city a little bit but is still a \$74,000 deficit compared to previous years.

Duncan also discussed the Motor Fuel Tax (MFT) fund. Duncan said it appeared local gas stations have not been as negatively impacted as others state- wide but MFT funds are distributed state-wide. Duncan had estimated \$24.94 per capita but the Illinois Municipal League is now estimated to be \$20 per capita, resulting in a \$47,000 loss in that fund. The MFT fund was forecasted and projects approved prior to the COVID-19 pandemic and thus any additional money required to pay for those projects will have to come from future months which could affect the scope of projects for next year. Duncan said he did not change the numbers in the proposed budget as they already approved an amount in the budget.

Chairman Tom Ptak asked if any Finance Commission members wanted to further discuss potential authorization of Invoice #20140 from the North Central Illinois Economic Development Corporation (NCIEDC) totaling \$12,492 for annual membership fees for fiscal year 2020-2021 prior to the City Council meeting later that evening. The members agreed they were all in support of paying the invoice and no further discussion was necessary. Alderman Lavieri confirmed that Invoice #10 from Starved Rock Country Alliance totaling \$5,000 for 2020 annual funding was reduced to \$1,000. The committee was also in support of paying that invoice as well.

Superintendent of Public Works Jeff Bumgarner then discussed potential action regarding the rehab of an anerobic digester to aerobic digestion at the Southside Wastewater Plant and potential action regarding the purchase of new membranes for the Eastside Wastewater Plant which was scheduled on

the City Council meeting agenda later that evening. Bumgarner said the digester at the southside wastewater plant is an anaerobic digester which uses no oxygen and creates methane. Going inside the building can be a safety hazard and the building hasn't had repairs since being put in. Boiler issues arose a year ago and after installation cost of \$25,000, he thought it was time to step back and look at the building as a whole. Three options were presented to the Finance Committee and this same information was provided to the City Council by Bumgarner. The options included leaving it as is and installing baseline upgrades, converting to aerobic digestion for primary sludge and activated sludge or converting to aerobic digestion for primary sludge and leaving activated sludge with capital costs of \$687,756. Bumgarner recommended the final option as the safest one with the best end result. Alderman Lavieri said the decision previously came before the Wastewater Committee in the form of a detailed presentation. Bumgarner said the Wastewater Committee at the time agreed with the recommendation.

Bumgarner then discussed the purchase of new membranes for the Eastside Wastewater Plant. While they estimated they would have to change their membranes every 15 years, they've only lasted seven years. Bumgarner presented material from Suez as an alternative which will have some maintenance of their own but also come with a 10-year warranty. Bumgarner said it's the best use of money in the long-term at the plant and they're also looking to de-rate the plant as it never runs half a million gallons through it a day. If needed later, they can rate the plant differently through the EPA.

The meeting was adjourned at 6:16 p.m.

A handwritten signature in cursive script, reading "Carrie Brown".

Carrie Brown, City Clerk by Deputy City Clerk Brent Bader